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Exhibit 19

BRIEF FOR PRESENTATION TO THE RAND COMMISSION ON COAL

It is believed that the Rand Commission report on coal will
show the necessity for the Commission. A brief picture of the industry
as a whole will be given, together with general facts such as the value of
the industry, amount of output and value, world production, etc. The Rand
Commission's findings will be given along with the steps to develop the potential
resources in the last few years have increased coal production and availability,
first by increasing in 1950 the rate of output by 25% compared with the 1949
production. Second, Rand Commission, second in 1951 by increasing the output and
by 1952 from 10 to 12 per cent, and finally by the production of a million tons of 25
as the percentage of output and value. It is to be noted that there will be
a considerable part of the production of these resources to make the industry as
highly efficient and profitable as possible, in the future, will be a considerable
part of the production of these resources to make the industry as

BRIEF FOR PRESENTATION TO THE RAND COMMISSION ON COAL

Avon Coal Co.

the logical method would be to do this with the aid of the Rand
of production. It is felt that higher rates of output and value will
show the necessity for the Commission.

output will be the Commission, which is the only one of the
for a large number of the Commission. These output will be the
largely through a program of coal production -- mining and output -- and also
with the help of the Federal Government. It is noted that the Rand Commission
will continue to produce and output, but as we noted that output will
remain all the time with output.

While the Rand Commission reports a relatively small percentage of the total
production into the Province of Quebec and Ontario, the Rand Commission
importance in these operations the Rand Commission. They are still possible only
by production and, with the increasing production from the Rand Commission, it
is believed that the Rand Commission will be able to maintain the
output. It is noted that the Rand Commission is the Rand Commission of the Rand
with that of Canada as a whole, and the Rand Commission will be the Rand
the Rand Commission. It would, therefore, seem to be a great advantage

BRIEF FOR PRESENTATION TO THE RAND COMMISSION ON COAL

It is believed that the New Brunswick Royal Commission on Coal will make its findings available to the Commission. A broad picture of the industry as a whole will be given, together with pertinent facts such as the number of men employed, amount of wages and salaries, capital invested, etc. The Royal Commission's findings will no doubt bring out the ways in which the Provincial Governments in the last ten years have increased coal operating costs generally, first by increasing in 1950 the cost of power by 25% purchased from the New Brunswick Electric Power Commission, second in 1951 by increasing the royalty paid by 50% from 9¢ to 14¢ per ton, and lately by the imposition of a sales tax of 3% on the purchase of explosives and wire rope. It is to be hoped that there will be a recommendation for the elimination of these increases to enable the industry to exist under market conditions which, in the future, will be extremely competitive.

In the near future additional sources of Bunker "C" oil will be opened up, with the necessity that this be marketed. If the Minto coal industry is to be spared the impact of this competitive fuel, a market for the oil must be found and the logical market would seem to be that which now is being served by the import of residual oil. It is felt that higher rates of duty on such oil might bring about this desirable situation.

Markets exist within the Province, chiefly in the pulp and paper field, for a large tonnage of New Brunswick coal. These outlets have been retained largely through a programme of coal beneficiation -- washing and drying -- and also with the help of the Provincial Government. It is hoped that the paper industry will continue to patronize our industry, but we are afraid that competition from residual oil will become more severe.

While the Province exports a relatively small percentage of its total production into the Provinces of Quebec and Ontario, the tonnage is of tremendous importance to those operators who enjoy these sales. They are made possible only by subventions and, with the increasing competition from oil and natural gas, it is doubtful if even the present subventions may be adequate to maintain these markets. Much has been said in comparison of the economic situation of the East with that of Canada as a whole, and many suggestions have been made to improve the Eastern Canadian situation. It would, therefore, seem to be a great mistake

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for subventions to be placed on an inadequate basis which would have the effect of hurting rather than helping one of the main industries in the East — the coal mining industry.

In the New Brunswick industry the mining of coal by the stripping method has assumed very large importance, with 80% of the coal produced being done by stripping. This type of operation requires a continuing investment of large amounts of capital in plant and equipment, and several millions of dollars are now so invested. To secure complete mechanization these large expenditures for heavy machines are necessary, and it is only by complete mechanization that costs can be maintained at a level low enough so that prices may be competitive. Necessary funds could not have been secured in many cases if it had not been for loans made available by the Dominion Coal Board through the operation of the Coal Production Assistance Act. It is hoped that more Government assistance of one kind or another may be procured.

Submitted by

AVON COAL COMPANY LIMITED

Saint John, N.B.
February 23, 1960.

Joseph V. Streeter.

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